

rose so promptly in the debate the other day—when the first lord of the admiralty had suggested the possibility of getting armor plate from abroad—in order to point out that there were great firms in this country who had been encouraged by the expectation of government work to lay down expensive plants. He practically said it would be a breach of faith on the part of the government to take away from these people the expectations they had been given. The right hon. gentleman is a debenture holder for Vickers, and he is also debenture trustee for Cammell, Laird and Co.

Now who are the shareholders? It would be too long for me to give more than a very short selection from the list, but I find that hon. members in this house are very largely concerned; indeed, it would be impossible to throw a stone on the benches opposite without hitting a member who is not a shareholder in one or other of these firms. (Ministerial cheers.) I am sorry for the sudden hilarity of my hon. friends, for the shareholders in these armament firms are not confined to Unionist members. I find that the bishops are very well represented. Among the shareholders in Beardmore's I find the name of an hon. member opposite as the holder of 5,000 shares. The member for Armagh (Sir J. Lonsdale), who asked seven questions in five weeks in 1909—the scare year—as to when orders for gun-mountings would be placed. The hon. member for Osgoldcross division of Yorkshire (Sir J. C. Rickett) I congratulate him on his election last week as hon. president of the Free Church council—is the great imperialist. I have often seen his portrait in the London press as that of a man who placed patriotism and empire before all considerations of sordid selfishness. I find that he is the holder of 3,200 shares in John Brown's, and 2,100 shares in Cammell-Laird's. Another of the members of Sheffield figures in practically every list, as he figures in every debate of this house when there is a possibility of more money being spent on arms and ships. I refer to the member for the Ecclestone division (Mr. S. Roberts). He is a shareholder in John Brown's, a director of Cammell-Laird's, also a debenture trustee of the Fairfield company, and a shareholder in the Coventry Ordnance Works.

It would hardly be fair to ignore the Liberals altogether. I find that a director of Palmer's is Lord Aberconway, and that a Liberal member of this house is one of his co-directors, the member for the Bosworth division of Leicester (Mr. H. D. McLaren). I spoke of the "internationalism" of this, and I find the shareholders in Cammell-Laird include a considerable number of names with which I am not familiar. Another shareholder in Cammell-Laird is the representative of the northern division of Manchester (Sir C. E. Swan). I want to say one or two words about the Harvey trust, which was formed a few years ago, and which represents, I think, the most up to date and complete form of capitalist organization the world has ever seen. Its internationalism is complete. It was formed for the purpose of working certain rights in the manufacture of armor plate, and it combined together the interests in Britain of Vickers, Armstrong's, Beardmore's, John Brown's, Fairfield, Cammell-Laird, the Projectile Company, Palmers, and Hadfields-Coventry, of half a dozen of the leading firms in the United States, of firms in France, Italy, and Germany (Krupps). The directors were representatives of Beardmore's, John Brown's, Armstrong's, Vickers, Cammell-Laird's, the French Steel Company, Schneider's, and others.

I find in the list of shareholders here the name of the colonial secretary, and the name of the present postmaster-general also figures. I said something about the cosmopolitan character of the shareholders' list. Of course, in such a combination as the Harvey Steel trust, it is only to be expected that a large number of foreign names would appear. I referred a moment or two back to the case of the admiral of the fleet, who had been appointed managing director of one of these undertakings. That is not the only instance in which men have been taken from the service of the crown and placed directly in influential positions under this armament ring. There is, of course, a reason for it. I will not give it in my own words, but in those of a representative trade organ. There is a paper called "Arms and Explosives," devoted to the interests of the armament trade, and in September last this paper wrote—and I ask the special attention of the house to the quotation—because it puts the matter far more clearly than I could do:

"Contractors naturally are very keen to avail

themselves of the services of prominent officers who have been associated with the work in which the contractors are interested. The chief thing is that they know the ropes, since the retired officer, who keeps in touch with his own comrades, is able to lessen some of these inconveniences, either by gaining early information of coming events, or by securing the ear of one who would not afford like favors to a civilian.

Kissing undoubtedly goes by favor, and some of the things that happen might be characterized as corruption. Still, judged by all fair tests the result is good. The organizations of facilities for supply is maintained through times of peace on an efficient and economical basis. Manufacturers do not make huge profits, and they are enabled to survey from year to year, and to be unhand in the case of national emergency."

The thought of Armstrong's subsisting on a dividend of 12½ per cent, and Vickers' on 10 per cent, putting an equal amount to the reserve fund, is most affecting. Sir Andrew Noble, of the Royal Artillery, joined Armstrong's in its early days. He is now chairman. There are other cases. I come to what I think will be admitted as the most serious of these transfers, the case of Sir George Murray, who succeeded Lord Welby as permanent secretary of the treasury, a position of great responsibility. Nothing can be more disastrous for the financial reputation of this country than that there should be a suspicion—I do not put it any higher—of the strict probity of men who are in the position of permanent head of our great department. One can not avoid suspicion being expressed in some quarters when a highly-placed public servant takes his pension and immediately after takes his seat upon a board having the closest business relation with the government. Why did he go to the board of Armstrong's? He is not an engineering expert; he is not a naval expert. I add, in the words of "Arms and Explosives," "He knows the ropes." He keeps in touch with his old comrades. He can smooth away any inconveniences. I will not, as this paper does, characterize it as corruption.

Then we have the case of Rear-Admiral Ottlev, naval attaché to Russia, Japan, France, United States, and Italy—so that he will "know the ropes" on both sides. He was secretary of the committee of imperial defence, and he went from a position like this, a responsible adviser of the government on these important matters, to be the director of a firm which is making huge profits out of government contracts. This was the man of whom "Excubitor" said, when he was writing his articles on the navy, that he "acquired, as attaché, an intimate insight into the naval methods of foreign powers. From all sources, home and foreign, facts, figures, deductions, and suggestions are continually passing into the Naval Intelligence department at Whitehall." Now we are arming against Italy, and this man, ex-secretary to the committee of imperial defence, director of Armstrong, Whitworth and Co., is also a director of Armstrong's Italian firm, Armstrong-Pozzuoli, on the Italian coast. How can it be possible that naval secrets can be retained? Armstrong, Whitworth and Co. of Newcastle and of Italy, are in possession of the most confidential facts in relation to the doings of both the Italian government and the British government, and it would require a great amount of business probity to prevent them disclosing the facts from the one firm to the other.

Now turn to Vickers. Lord Sandhurst, who is the debenture trustee, was under-secretary for war in 1886 and from 1892 to 1895 in a Liberal government. Then we come to a very interesting personality, Sir Lieutenant Trevor Dawson. He is managing-director of Vickers, lately acting as their superintendent of ordnance, and he is, of course, specially connected with their works at Spezia, Italy. These men must have had the gift of prophecy and foresight. They must have known years ago that statements such as the one made by the first lord would be made in this house. He is a director also of a steel foundry in Japan, so that, whether Japan be an ally of this country or not, they are going to be all right. He is also on the board of William Beardmore and Co. Yet the navy talk about tendering for contracts! How can you get a tender from Vickers? You are getting it from Armstrong, Whitworth and Co., and from William Beardmore and Co. The whole thing is a farce. I need not go through the list. There are dozens of them. There is not, as a matter of fact, a single firm doing contract work for the government which has not either upon its board or in its service a man who has been in

the service of the government and who knows the ropes, and who, in the words of that extract from "Arms and Explosives," is likely to be able to gain that various information which will be useful. I may just say a word about Hadfield's steel foundry. They have a very distinguished major-general upon their staff, Major-General Brackenbury. He was director of military intelligence 1886-91, and he was a member of the council of the viceroy of India. He was president of the Ordnance committee, 1896-9, at the war office; director of Ordnance, 1899-1904; and is a vice-president of the National Service League.

The Nobel trust decided to call in some hundreds of thousands worth of unsubscribed capital. Vickers, too, have announced that they are going to increase their share capital by £1,000,000. Why? The first lord told us yesterday that their general trade had declined, and that they expected to be able to accelerate government work on account of the greater scarcity of other kinds of work. Why, at a time like this, when, judging by the evidence, one would think that we were near the beginning of a period of trade depression, should these companies increase their capital by millions? They are just beginning now preparations for another scare which will mature in two or three years' time, and, if I have the opportunity of speaking in this place two or three years hence, I shall be able to repeat the facts and instances associated with the previous scare down to the minutest detail. Now, I said that the first lord stated that the relations between the government and this armament ring were more cordial than the ordinary relations of business. They are, indeed, and the government has, during the last few years, brought forward evidence that they do appreciate the patriotic services these firms render to the departments. One of the first acts of this Liberal government was to ennoble Mr. Pirrie, of Harland and Wolff, and he is a debenture trustee of the Coventry Ordnance and John Brown and Company. You can not touch one without touching the other.

The ordinary man would never suspect that the great shipbuilding firm of Harland and Wolff had very much interest in Parliament. All the ordinary man knows about Harland and Wolff is that it has built some of the great Atlantic liners. He was made a peer. Mr. Hadfield, the chairman of a very successful company which for a great many years has never paid less than 20 per cent, was knighted in 1908. Lieut. Trevor Dawson, of Vickers, and of other firms in the ring, was made a knight in 1909. I may pass over the baronetcy which was given to the late Lord Furness, afterwards followed by a peerage. Sir Charles McLaren, chairman of one of the ring, was, as we know, ennobled. There are others. There is the case of Lord Glenconner, who combines the positions of chairman of the Tharsis Sulphur and Copper Company and an influential shareholder in Nobels, with that of the high commissioner of the Kirk of Scotland. I want to speak now with particular reference to Italy and Austria, because it is against Italy and Austria that we are asked to equip the Mediterranean fleet. I have already referred to the fact that Vickers have works in association with the Vickers-Terni Company in Italy. They are also interested in Whitehead's Torpedo Works at Fiume, in Hungary. The Vickers-Terni seem to be to Italy what Vickers is to Great Britain. The "Engineer" newspaper says they are not to be considered as a private company, but as a national institution working for national aims. The "Navy League Annual" for 1911 had this very illuminating paragraph:

"The modern naval resources of Italy for the building of warships owe their own origin in no small measure to the co-operation of British capital and resources."

In diplomacy we are supposed to be not on very good terms with Italy. It is necessary to spend millions in building "dreadnaughts" to protect our interests in the Mediterranean against the possible aggression of Italy, and yet at the same time Italian warship building is indebted to the co-operation of British capital and resources. It is no use going through the list. I could give a great many others. Therefore, if ever these Italian ships, let Heaven long delay the time, do come in conflict with our own ships, it will be British capital that will be booming on both sides. Just a word or two about Austria, as the position of Austria has assumed great importance from the statement made by the first lord yesterday. Submarines and all the torpe-